



ASX Release

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BEACH GREATLY ENCOURAGED BY INCREASED THICKNESS OF TARGET SECTION IN NAPPAMERRI TROUGH SHALE GAS DRILLING

Beach advises the following in relation to its shale gas drilling:

- **The target section in Encounter-1 is thicker than first anticipated;**
- **Good gas shows continue to be encountered while drilling;**
- **Cores recovered from shale in the Roseneath and Epsilon targets; and**
- **Further drilling and coring continuing to complete objectives of the well.**

Following the acquisition of wireline data from the Encounter-1 exploration well (PEL-218 Permian, Beach 90%) in the Nappamerri Trough of the Cooper Basin, Beach Energy Ltd ("Beach") has determined the prospective shale interval is considerably thicker than anticipated.

The Roseneath shale intersection was originally expected to be approximately 60 metres thick. However, information from the logging runs conducted earlier in the week indicates that the section is closer to 200 metres thick.

The likelihood that shale volumes in this section of the trough are accordingly much greater than first thought has significant implications for larger volumes of gas in place.

A further potential benefit is that the thick target shale interval should provide greater flexibility to optimise fracture stimulation treatments, since they will be more easily contained within the target interval.

Accordingly, Encounter-1 is being deepened and additional coring is currently underway in the base of the Epsilon Formation. Beach is determined to ensure the entire target interval is fully evaluated, hence the further drilling.

Good gas shows continue to be recorded throughout the cored and drilled intervals.

PEL-218 (Permian): Beach (90%, operator), Adelaide Energy (10%).

For more information contact

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